

Sify Technologies Limited
Consolidated statement of cash flows
For the fiscal years ended March 31,

(In thousands of except share data and as otherwise stated)

	Year ended March 31,		Year ended March 31,
	2008	2007	2008
	Rs	Rs	Convenience translation into US\$ (Unaudited) Note 2(c)
Cash flows from / (used in) operating activities			
Profit before tax	89,421	205,259	2,232
<i>Adjustments for:</i>			
Depreciation and amortization	394,337	463,780	9,854
Share of profit of equity accounted investees	(181,127)	(61,030)	(4,526)
Gain on sale of property, plant and equipment	107	(487)	3
Provision for doubtful receivables and advances	131,954	153,638	3,297
Gain on disposal of subsidiary	-	(226)	-
Stock compensation expense	56,410	60,933	1,410
Net finance income	(104,101)	(128,642)	(2,601)
Unrealized loss on account of exchange differences	496	16,012	12
	<u>387,497</u>	<u>709,237</u>	<u>9,681</u>
Change in trade and other receivables	(678,051)	(651,650)	(16,943)
Change in inventories	(9,066)	1,777	(227)
Change in other assets	(757,472)	(21,898)	(18,927)
Change in trade and other payables	460,211	142,879	11,500
Change in employee benefits	7,111	(13,083)	178
Change in deferred revenue	(81,673)	5,697	(2,041)
	<u>(671,443)</u>	<u>172,959</u>	<u>(16,779)</u>
Income taxes paid	(168,426)	(56,697)	(4,209)
Net cash (used in)/ from operating activities	<u>(839,869)</u>	<u>116,262</u>	<u>(20,988)</u>
Cash flows from / (used in) investing activities			
Acquisition of property, plant and equipment	(849,091)	(686,320)	(21,217)
Expenditure on intangible assets	(30,238)	(65,474)	(756)
Business acquisition (net of cash)	-	(93,775)	-
Proceeds from sale of property, plant and equipment	5,630	5,465	141
Net investment in leases	16,552	(6,974)	414
Finance income received	121,162	138,762	3,028
Short term investments	(20,315)	-	(508)
Net cash used in investing activities	<u>(756,300)</u>	<u>(708,316)</u>	<u>(18,898)</u>

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	Year ended March 31,		Year ended March 31,
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Cash flows from / (used in) financing activities			
Proceeds from issue of share capital (including share premium)	116,812	72,647	2,919
Proceeds from / (repayment) of borrowings	(643,574)	800,000	(16,081)
Finance expenses paid	(57,682)	(25,550)	(1,441)
Proceeds from / (repayment) of finance lease liabilities	(756)	842	(19)
Net cash from / (used in) financing activities	(585,200)	847,939	(14,622)
Net increase / (decrease) in cash and cash equivalents	(2,181,369)	255,885	(54,508)
Cash and cash equivalents at April 1	3,070,157	2,822,501	76,716
Effect of exchange fluctuations on cash held	(98)	(8,229)	(3)
Cash and cash equivalents at March 31	888,690	3,070,157	22,205
Cash and cash equivalents includes Rs. 617,637 (Previous year - Nil) lying as bank overdrafts			
Supplementary information			
Additions to property, plant and equipment represented by capital lease obligations	8,166	4,448	204

The accompanying notes are an integral part of these consolidated financial statements